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IN THE

Supreme Court of the United States

No. 653

October Term, A. D. 1934.

HOSIERY MOTOR-MEND CORPORATION,
KAYSER HOSIERY MOTOR-MEND CORPORATION,
JULIUS KAYSER & COMPANY, a Corporation,

Cross-Petitioners.

vs.

THE STELOS COMPANY, INC.,

Respondent.

CROSS-PETITION FOR CERTIORARI

THE PETITION OF THE STELOS COMPANY, INC., BEING No. 588, OCTOBER TERM, 1934.

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To the Honorable the Chief Justice and Associate Justices of the Supreme Court of the United States:

I.

Your Petitioners, Hosiery Motor-Mend Corporation, Kayser Hosiery Motor-Mend Corporation and Julius Kayser & Company, a corporation, respectfully pray that a writ of certiorari issue to the Circuit Court of Appeals for the

Second Circuit, to review the decision of that Court in the case of The Stelos Company, Inc., plaintiff-appellant versus Hosiery Motor-Mend Corporation, Kayser Hosiery Motor-Hospiery Motor-Mend Corporation, Kayser Hosiery Motor-Mend Corporation and Julius Kayser & Company, a corporation, defendants-appellees, rendered July 31, 1934, petition for rehearing denied and mandate issued October 26, 1934.

On December 21, 1934, The Stelos Company, Inc., filed in this Honorable Court its petition, No. 588, October Term, 1934, for a writ of certiorari to the Circuit Court of Appeals for the Second Circuit in this case accompanied by a transcript of the record from the Court below.

These cross-petitioners have, by a brief filed in opposition to the petition for certiorari No. 588, October Term, 1934, opposed the granting of the petition of The Stelos Company, Inc., on the ground that the decision of the Circuit Court of Appeals for the Second Circuit, 72 F (2d) 405, is not in conflict with the decision of another *Circuit Court of Appeals,* although it is in conflict on the issue of infringement with a decision of the Court of Appeals of the District of Columbia (46 F. 2nd 1006).

These cross-petitioners do not ask that this cross-petition be granted if the petition of The Stelos Company, Inc., No. 588, October Term, 1934, is denied.

II.

JURISDICTION.

The jurisdiction of this Court is invoked under Section 240(a), Judicial Code, as amended by the Act of February 13, 1925, 43 Stat. 938 (Title 28, U. S. C., Sec. 347).

The opinion of the Circuit Court of Appeals was filed July 31, 1934 (60 Fed. (2d) 1009). Petition of plaintiff-appellant for rehearing was denied October 26, 1934. On that date a mandate was issued to the District Court.

III.

SUMMARY AND SHORT STATEMENT OF THE MATTER INVOLVED.

The Patent and Claim in Suit.

The present suit was brought in the District Court of New York for the Southern District by The Stelos Company, Inc., for infringement of Stephens Reissue Patent 16,360, reissued June 8, 1926. The original patent No. 1,564,379 was issued December 8, 1925, upon application filed September 25, 1923. The patent (R. III, p. 962) "relates to an improvement in needles and its method of use" mainly "in repairing runs or ravelings in knitted goods" (R. III, p. 962, lines 1-5). The patent contains twenty-three claims, the first twenty-two of which are for the repairing device or needle. The 23d claim is for an improved method of repairing runs or ravelings in a fabric. The method claim is the only one in issue.

The needle described in the patent (R. III, p. 963, lines 3-23) consists of a magnetized pivoted latch needle having a beveled side-guard attached at the handle end to the right-hand side of the needle and terminating, at its free end, near the hook.

The method claim in issue reads thus (R. III, p. 965):

> "An improved method of repairing runs or ravelings in a fabric which consists in
>
> stretching the fabric over a suitable holder,
>
> inserting a repairing device having a hook and *pivoted** latch through a loop formed in the run or raveling,
>
> continuing this movement on through the fabric while holding the device *laterally* out of alignment with the run or raveling *until the loop has slid back over the end of the latch and beneath the latter*,

* All italics are cross-petitioners.

then reversing the movement of the device through the loop,

catching the next forward thread in the hook while the loop is being pulled over the latch, causing the latch to close over the thread, and the loop to be cast off over the end of the device, the thread caught in the hook thereupon forming a new loop, taking the place of the first-described loop,

then reinserting the device into the fabric as before, and repeating the operation until the run or raveling has been repaired, and finally fastening the thread."

The method claim in the original application was No. 10. That claim read thus:

A method of needle work which consists in

stretching the fabric over a suitable holder, and

inserting a needle having a magnetized, curved hook, a magnetized curved latch or bridge and a beveled side guard, through the loop of a run or raveling,

grasping the adjacent thread with the latch forcing it into the hook, pulling the thread through the loop,

grasping the next thread, forcing it into the hook and pulling it through the loop formed, etc., until the run or raveling is repaired."

The original Claim 10 was rejected on April 25, 1924, the Examiner stating:

"Claim 10, which is drawn to the combination of a method and specific construction of a needle, is rejected. The invention, if any, resides in the specific element. The alleged method is fully described in Pogson."

Needle Used by Cross-Petitioners.

The needle used successively by the cross-petitioners, Hosiery Motor-Mend Corporation and Kayser Hosiery

Motor-Mend Corporation, in a manner alleged to infringe Claim 23 of the Re-issue patent is not a *pivoted* latch needle but is a *sliding* latch needle. It is illustrated in Fig. 7, R. III, p. 994.

The cross-petitioner, Julius Kayser & Company, has not used any needle. It was alleged to be a contributory infringer because of its ownership of some of the shares of stock of Kayser Hosiery Motor-Mend Corporation (R. I, pp. 216-221, 253-254).

Decisions of Courts Below.

The District Court held the claim in issue invalid and not infringed (60 F. 2d 1009, R. III, p. 1266) and by its decree (R. III, p. 1280) dismissed the bill of complaint.

The Circuit Court of Appeals for the Second Circuit upon appeal by The Stelos Company, Inc., reversed the decree of the District Court so far as it declared Claim 23 invalid and affirmed that decree so far as it dismissed the bill for non-infringement (72 Fed. 2d 405, R. III, p. 1341). That decision was filed July 31, 1934. The Stelos Company, Inc., filed a petition for rehearing which was denied October 26, 1934. On the same date the mandate was issued by the Circuit Court of Appeals to the District Court reversing the decree of the District Court in so far as the decree of that Court declared Claim 23 of Re-issue patent 16,360 invalid and affirming the decree so far as it dismissed the bill for non-infringement of the patent.

Petition of the Stelos Company, Inc.

The petition of The Stelos Company, Inc., No. 588, October Term, 1934, for review of the decision of the Circuit Court of Appeals for the Second Circuit is predicated primarily upon the conflict between the decision of that Court, 72 F. (2d) 405, in this case, and a decision of the Court of Appeals of the District of Columbia, 46 F. (2d) 606, on the

issue of infringement. The needle whose method of use was involved in the case in the Court of Appeals for the District of Columbia was a *sliding* latch needle of the same or substantially same design and character as that used by two of the cross-petitioners in the present case.

In its petition, No. 588, October Term, 1934, The Stelos Company, Inc., likewise set up as reasons relied upon for the granting of the writ of certiorari that the Circuit Court of Appeals for the Second Circuit erred in holding that the words "while holding the device laterally out of alignment with the run" of Claim 23 restricts the claim to the holding of the device off to one side of the run; that the Circuit Court of Appeals for the Second Circuit erred in holding that the clause "while holding the device laterally out of alignment with the run" of Claim 23 having been inserted by amendment after rejection of patentee's original method claim "became essential to an infringement, an element with which the doctrine of equivalents did not allow the patentee to dispense" and in erroneously applying to the facts the decision in *Smith vs. Magic City Club,* 282 U. S. 784.

Reasons for Filing Cross-Petition.

This cross-petition is filed to the end that cross-petitioners may not be barred from raising in this Honorable Court the issue of validity of the claim in suit in the event the petition of The Stelos Company, Inc., No. 588, October Term, 1934, for writ of certiorari is granted. While the decisions of this Court in *Story Parchment Co. vs. Paterson Co.,* 282 U. S. 555, 560; *Langnes vs. Green,* 282 U. S. 531, 538; *United States vs. American Rwy. Exp. Co.,* 265 U. S. 425, and *Corning et al. vs. The Troy Iron & Nail Factory,* 15 How. 451, 464, would seem to establish the right of cross-petitioners to present to this Court the issue of validity of the claim in suit in the event that the petition for certiorari of The Stelos Company, Inc., No. 588, October Term, 1934,

be granted, particularly as a showing of invalidity would uphold the decision and decree below dismissing the bill of complaint. Yet by reason of the statement by this Honorable Court in *Gunning vs. Cooley*, 281 U. S. 90, 98; *Webster vs. Splitdorf*, 264 U. S. 463, 464; *Alice State Bank vs. Houston Pasture Co.*, 247 U. S. 240, 242, and other cases that "this Court is not called upon to consider any question not raised by the petition" and the further ruling of this Honorable Court in *Hubbard vs. Tod*, 171 U. S. 474, 494, and other cases that "as respondents did not apply for certiorari we shall confine our consideration of the case to the examination of errors assigned by petitioner" reasonable precaution on the part of the respondents in the petition of The Stelos Company, Inc., would seem to require that this cross-petition be presented, to be acted on, however, only in the event that the petition of The Stelos Company, Inc., No. 588, October Term, 1934, be granted and this Honorable Court be of the opinion that the issue of validity of the claim in suit should not be considered by it without a cross-petition.

Invalidity of the Claim in Suit.

Pivoted latch needles were old and common before 1865. (R. III, p. 1028.)

The use of a pivoted latch needle for repairing runs in fabrics was disclosed as early as November 16, 1921 (R. III, pp. 1127-1129), almost two years before the date, September 25, 1923, on which the original patent, of which the patent in suit is a reissue, was filed.

"Suitable holders," over which to stretch the fabric for repair, were old. (R. III, p. 1071, line 46; R. III, p. 1074; R. III, pp. 1053-1054; R. III, pp. 1061-1062.)

Holders allowing sufficient depth for the free use of the needle in repairing runs in knitted fabrics, such as stockings, were old. (R. III, p. 1074, lines 23, 34-40.)

Stephens was not the first inventor of the method of continuing the movement of the repairing device or needle

on *through* the fabric when repairing a run in a fabric stretched over a suitable holder. (R. III, p. 1071, lines 41-42, 50-53.)

Holding the needle out of the plane of the fabric stretched over a suitable holder while repairing a run therein, is shown in the patents to Semonsen filed June 27, 1923, (R. III, p. 1069, Fig. 7; p. 1073, Fig. 5), or approximately three months before the patent in suit.

Holding a pivoted latch needle, while repairing a run, stretched over something, out of the vertical plane of the run, *i. e.*, in a plane crossing at an angle the vertical plane of the run, was old. (Pogson, R. III, p. 1129.)

"Laterally out of alignment with the run" is neither used or defined in the specification, nor is the functional or resultant advantage, if any, of so holding the needle, there explained or disclosed.

The claim in suit, if construed to embrace the method of using a *sliding* latch needle, in accordance with the inherent law of its operation, is broader than the invention of the patent. The specification states four times (R. III, p. 962, lines 45-47; p. 963, lines 41-45, 101-104; p. 964, lines 20-21), that the latch *reaches for* and *grasps* the thread, *forcing* it into the hook. That, a sliding latch needle does not and cannot do.

Claim 23 seems to call only for the functions or inherent law of operation of the needle of the patent.

There was prior use of the needle and method of the patent. (R. II, pp. 516, 526.) But this is disputed by The Stelos Company, Inc.

The patentee erroneously stated in its patent (R. III, p 962):

> "In other methods, the fabric is stretched over the fingertip, * * *"

It was upon that archaic method and not upon the then existing methods that the alleged improvement of the patent was predicated.

The Stelos Company never granted any licenses under Claim 23 alone. (R. I, p. 171.)

IV.

SPECIFICATION OF ERRORS.

The errors which the cross-petitioners will urge, if the writ of certiorari is granted upon this petition, are that the Circuit Court of Appeals for the Second Circuit erred:

(1) In reversing the decree of the District Court in so far as the District Court declared Claim 23 of Reissue Patent No. 16,360 invalid.

(2) In failing to hold that Claim 23 of Reissue Patent No. 16,360 is invalid for want of invention.

(3) In failing to hold that Claim 23 of Reissue Patent No. 16,360 is invalid for the reason that Frank C. Stephens was not the original and first inventor of the alleged invention of said claim.

(4) In failing to hold that the description of the invention in the specification is not in such full, clear, concise and exact terms as to enable any person skilled in the art or science to which it appertains or with which it is most nearly connected, to use the same.

(5) In failing to hold that the claim is broader than the described invention.

(6) In failing to hold that for the purpose of deceiving the public the specification of the patent was made to cover less than the whole truth relevant to the alleged invention of Claim 23.

(7) In failing to hold that the patentee in and by his specification disclaimed, and abondoned to the public, his

claimed method of use when employed with needles other than the needle of the patent in suit.

(8) In failing to hold that Claim 23 is invalid by reason of prior use.

(9) In failing to hold that Claim 23 is devoid of patentable subject matter.

(10) In failing to hold that the claim is functional and, hence, void.

V.

REASONS FOR GRANTING THE WRIT OF CERTIORARI ON THE CROSS-PETITION IF THE WRIT IS GRANTED IN No. 588, OCTOBER TERM, A. D. 1934.

The discretionary power of the Court is invoked upon the following grounds:

(1) The District Court held the patent invalid.

(2) The Circuit Court of Appeals for the Second Circuit, though holding the claim in suit valid, expressed doubt as to its validity when it said, 72 F. (2d) 406, at eighth line from bottom of the second column, "to use Pogson's stitch and needle (R. III, pages 1127-1129) with Semonsen's holder (R. III, p. 1074) might conceivably require invention *but it would be a very tenuous one at best.*"

And in 72 F. (2d) 407, just below half-way down the first column:

> "It is quite true that the specification said nothing about holding the needle off to the side of the 'run'; conceivably the claim may be bad for that reason."

(3) The scope of the claim in issue, necessary to be found to resolve the issue of infringement, cannot be determined without a consideration of the prior art and the provisions of the specification which show the claim to be invalid.

(4) That if it is of general importance or in the public interest to determine which of two conflicting decisions on the issue of infringement of the claim in suit by the method of use of one particular needle is correct, it is of far greater

general and public importance that it be determined whether one may, by patent, monopolize the right to hold an old hand tool, used for an old purpose, in any particular angular relation to the material being subjected to the action of that tool, especially when the claimed position or angular relationship is within the angular range of normal use for physical comfort, but without functional advantage.

(5) That The Stelos Company, Inc., plaintiff and plaintiff-appellant respectively in the Courts below, has heretofore filed a petition for writ of certiorari to review the decision and judgment of the Circuit Court of Appeals for the Second Circuit in this case, which petition is opposed by these cross-petitioners, respondents in the said petition of The Stelos Company, Inc. The cross-petitioners herein are presenting this petition only for the purpose of urging the errors above enumerated in the event that the petition of the said The Stelos Company, Inc., No. 588, October Term, 1934, is granted. If the said petition of The Stelos Company, Inc., is denied, these cross-petitioners are content that this cross petition should likewise be denied, but if the petition of The Stelos Company, Inc., is granted this cross-petition should be granted in order that the whole case, including the issue of validity, may be considered in the event that this Court should be of the opinion that the whole case may not be considered in the absence of a cross-petition.

Respectfully submitted,

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January 16, 1935.